## Message Text

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SUBJECT: U.S. BUSINESS VISITORS REPORT -- JULY AND AUGUST

REF: A. PEKING 1248

1. SUMMARY. A SLOW SUMMER BUSINESS SEASON WAS BROUGHT TO A HALT BY THE NORTH CHINA EARTHQUAKE ON JULY 28. MOST BUSINESS APPOINTMENTS FOR AUGUST WERE RESCHEDULED FOR SEPTEMBER, AND THE FIRST BUSINESS VISITORS TO PEKING IN ALMOST A MONTH HAVE JUST ARRIVED. THE FIRST TWO KELLOGG AMONIA PLANTS HAVE BEGUN OPERATIONS. NO IMPORTANT U.S. EXPORT CONTRACTS WERE SIGNED DURING THIS PERIOD. END SUMMARY.

2. THE NORTH CHINA EARTHQUAKE OF JULY 28 BROUGHT AN ABRUPT END TO THE ALREADY SLOW SUMMER SEASON FOR AMERICAN BUSINESSMEN IN PEKING. ALMOST ALL AUGUST VISITS TO PEKING WERE RESCHEDULED BY THE CHINESE TRADING CORPORATIONS FOR SEPTEMBER, AND THE FIRST BUSINESSMEN IN ALMOST A MONTH ARRIVED IN PEKING AT THE END OF AUGUST. AS USUAL, TEXTILE BUYERS WERE IN THE VANGUARD, LED BY G. BLACK OF INDUSTRIALS TEXTILES, INC. (DALLAS, TEXAS) AND VERONICA YHAP LIMITED OFFICIAL USE

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OF DRAGONLADY IMPORTS (NEW YORK). YHAP, WHO IS

NOW VISITING TEXTILE MANUFACTURING PLANTS IN DAIREN, REPORTS THAT CHINATEX OFFICIALS ARE BEING EVEN MORE CAUTIOUS THAN USUAL IN THE QUANTITIES THEY ARE OFFERING. SEVERAL OTHER TEXTILE IMPORTERS VISITED PEKING DURING EARLY JULY, INCLUDING ALAN FARAGO OF WELLMAN, INC., (BOSTON); SAUL ROSENBAUM, PRESIDENT OF TEXTURES INTERNATIONAL, INC. (NEW YORK), AND HAROLD ROBINS OF MAY KNITTING COMPANY, INC. (NEW YORK).

- 3. THE MACHINERY CORPORATION WAS VISITED IN JULY BY A DELEGATION FROM THE MAGNAVOX COMPANY OF TORRANCE, CALIFORNIA. HEADED BY NAVIGATION SYSTEM MANGER THOMAS A. STANSELL, JR., THE MAGNAVOX TEAM DISCUSSED SALES OF THE MAGNAVOX MX-902 MARINE SATELLITE NAVIGATION SUSTEMS AND OTHER SHIPBOARD COMMUNICATIONS AND NAVIGATION DEVICES. CATERPILLAR TRACTOR'S TOM ZAIA ALSO MET WITH THE MACHINERY CORPORATION IN EARLY JULY.
- 4. PROJECT DIRECTOR WILLIAM WALKER OF M.H. KELLOGG VISITED CHINA IN EARLY JULY FOR THE INFORMAL START-UP CEREMONIES FOR THE AMONIA AND UREA PLANTS BUILT BY KELLOGG IN PANCHIN, LIAONING AND WOLITUN, HEILUNGKIANG, FIRST OF THE EIGHT KELLOGG PLANTS TO BEGIN OPERATION. NEITHER THE PANCHIN PLANT OR THE PLANT UNDER CONSTRUCTION IN TSANCHOW, HOPEI WERE AFFECTED BY THE EARTHQUAKE. ANOTHER TECHIMPORT VISITOR WAS JIM BARTLEY OF HAMILTON STANDARD (UNITED TECHNOLOGY), WHO VISITED PEKING IN EARLY JULY TO DISCUSS TECHNICAL PROBLEMS WHICH HAVE ARISEN FROM THE OPERATION OF AIRCRAFT ENGINE TEST EQUIPMENT PREVIOUSLY SOLD TO CHINA.
- 5. FEW VISITORS WERE HOSTED BY THE LIGHT INDUSTRIES CORPORATION IN JULY OTHER THAN THE HELFER VISIT (REFTEL A). MOST U.S. BUYERS APPARENTLY POSTPONED THEIR VISITS TILL THE ARTS AND CRAFTS MINI-FAIRS HELD SIMULTANEOUSLY IN SEVERAL CITIES IN LATE AUGUST. REYNOLD TOM OF L'ART DE CHINA (OAKLAND, CALIFORNIA) WAS AMONT THE FEW TO REACH PEKING THIS SUMMER. LIMITED OFFICIAL USE

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6. SEVERAL BUSINESSMEN VISITED THE NATIVE PRODUCE CORPORATION IN JULY, INCLUDING RICHARD L. MAHER, PRESIDENT OF BERLINGER VINEYARDS (ST. HELENA, CALIFORNIA), WHOSE APPOINTMENTS WERE CANCELLED AS A RESULT OF THE EARTHQUAKE.

7. H.C. VAN ARSDALE OF GEORGE UHE AND COMPANY (NEW

YORK) AND WILLIAM MCFARLAND OF H. REISMAN AND COMPANY, AND LARRY WATT OF SOBIN CHEMICALS WERE IN PEKING ENROUTE TO THE TIENTSIN PHARMACEUTICALS FAIR WHEN THE JULY 28 QUAKE CLOSED THE FAIR ON ITS SECOND DAY. VAN ARSDALE AND MCFARLAND WENT INSTEAD TO SHANGHAI, WHERE THEY DID BUSINESS WITH THE CHEMICAL CORPORATION.

8. THIS CABLE CONTAINS COMMERCIALLY SENSITIVE INFORMATION WHICH SHOULD NOT BE DISCUSSED OUTSIDE OF THE USG.
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